

July 2000



North Dakota REV-E-NEWS

**From Rod Backman, Director
Office of Management and Budget
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At the close of fiscal year 2000, general fund revenue collections were \$28.3 million ahead of projections. Assuming revenue collections follow closely with the 1999 legislative revenue forecast for the remainder of the biennium, the ending balance would be \$57.6 million. We are currently in the process of finalizing the preliminary revenue forecast. Based on new information from RFA, we do expect some revenue growth in fiscal year 2001 which could result in a slightly higher ending balance.

North Dakota's unemployment rate in June was 3.0 percent, which was up from May's unemployment rate of 2.2 percent. The

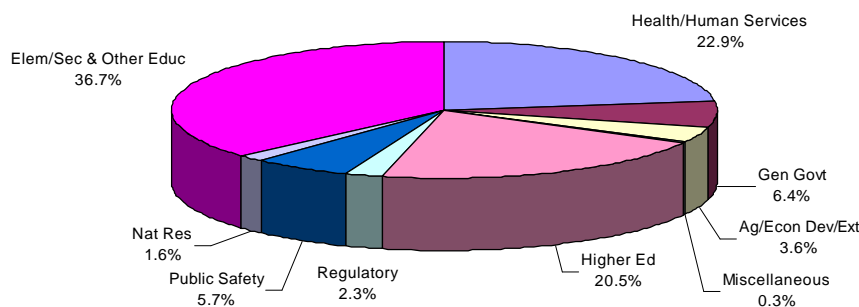
national unemployment rate for June was 4.0 percent. The tight labor market continues to constrain growth in North Dakota.

General fund expenditures for fiscal year 2000 were \$772.7 million. This amounts to approximately 48.5 percent of the general fund appropriation for the biennium, which is fairly typical for first year of the biennium expenditures.

Comments or Questions???

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**FY 2000
General Fund Expenditures
\$772.7 Million**



STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
1999-01 BIENNIUM
JUNE 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 21,211,000.00	\$ 22,647,346.35	1,436,346.35	6.8%	\$ 301,948,500.00	\$ 300,161,047.36	(1,787,452.64)	-0.6%
Motor Vehicle Excise Tax	3,995,000.00	5,370,109.98	1,375,109.98	34.4%	51,581,400.00	55,271,957.78	3,690,557.78	7.2%
Individual Income Tax	11,350,000.00	10,773,692.32	(576,307.68)	-5.1%	188,115,520.00	197,101,324.50	8,985,804.50	4.8%
Corporate Income Tax	9,958,000.00	9,271,931.05	(686,068.95)	-6.9%	53,642,000.00	47,528,001.38	(6,113,998.62)	-11.4%
Insurance Premium Tax	2,500,000.00	828,374.15	(1,671,625.85)	-66.9%	17,760,000.00	19,293,969.99	1,533,969.99	8.6%
Financial Institutions Tax	422,000.00	23,495.00	(398,505.00)	-94.4%	2,608,000.00	2,382,211.16	(225,788.84)	-8.7%
Oil & Gas Production Tax	1,010,000.00	2,462,109.63	1,452,109.63	143.8%	10,879,000.00	21,062,999.34	10,183,999.34	93.6%
Gaming Tax	58,000.00	511,390.52	453,390.52	781.7%	11,656,000.00	13,176,646.30	1,520,646.30	13.0%
Interest Income	2,767,000.00	3,370,601.85	603,601.85	21.8%	7,652,000.00	9,293,945.97	1,641,945.97	21.5%
Oil Extraction Tax	618,000.00	1,221,036.99	603,036.99	97.6%	6,621,000.00	12,713,570.42	6,092,570.42	92.0%
Cigarette and Tobacco Tax	1,868,000.00	1,911,092.32	43,092.32	2.3%	21,612,000.00	21,341,733.59	(270,266.41)	-1.3%
Departmental Collections	1,000,000.00	1,728,838.03	728,838.03	72.9%	19,860,000.00	21,248,341.79	1,388,341.79	7.0%
Wholesale Liquor Tax	993,802.00	1,033,516.60	39,714.60	4.0%	5,194,863.00	5,430,522.74	235,659.74	4.5%
Coal Severance Tax	851,000.00	901,426.52	50,426.52	5.9%	11,279,000.00	11,206,459.05	(72,540.95)	-0.6%
Coal Conversion Tax	992,000.00	1,095,391.12	103,391.12	10.4%	12,232,000.00	12,490,737.33	258,737.33	2.1%
Mineral Leasing Fees	199,760.00	280,023.60	80,263.60	40.2%	2,518,560.00	3,566,924.41	1,048,364.41	41.6%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					690,304.00	690,304.00	0.00	0.0%
Other Transfers		(30,749.00)	(30,749.00)	100.0%	1,700,000.00	1,858,651.23	158,651.23	9.3%
Total Revenues and Transfers	59,793,562.00	63,399,627.03	3,606,065.03	5.7%	742,550,147.00	770,819,348.34	28,269,201.34	3.8%

COMPARISON TO PREVIOUS BIENNIUM REVENUES
1999-01 BIENNIUM
JUNE, 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	June, 1998	June, 2000	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 22,145,002.60	\$ 22,647,346.35	\$ 502,343.75	2.3%	\$ 271,606,220.79	\$ 300,161,047.36	\$ 28,554,826.57	10.5%
Motor Vehicle Excise Tax	4,569,622.84	5,370,109.98	800,487.14	17.5%	47,978,643.38	55,271,957.78	7,293,314.40	15.2%
Individual Income Tax	9,291,181.77	10,773,692.32	1,482,510.55	16.0%	177,493,715.87	197,101,324.50	19,607,608.63	11.0%
Corporate Income Tax	12,020,172.93	9,271,931.05	(2,748,241.88)	-22.9%	65,543,024.70	47,528,001.38	(18,015,023.32)	-27.5%
Insurance Premium Tax	2,385,287.38	828,374.15	(1,556,913.23)	-65.3%	17,357,573.51	19,293,969.99	1,936,396.48	11.2%
Financial Institutions Tax	1,275.00	23,495.00	22,220.00	1742.7%	2,826,325.03	2,382,211.16	(444,113.87)	-15.7%
Oil & Gas Production Tax	1,868,200.09	2,462,109.63	593,909.54	31.8%	15,744,939.68	21,062,999.34	5,318,059.66	33.8%
Gaming Tax	58,478.37	511,390.52	452,912.15	774.5%	11,656,000.98	13,176,646.30	1,520,645.32	13.0%
Interest Income	3,396,438.70	3,370,601.85	(25,836.85)	-0.8%	10,073,066.44	9,293,945.97	(779,120.47)	-7.7%
Oil Extraction Tax	958,598.28	1,221,036.99	262,438.71	27.4%	9,373,218.33	12,713,570.42	3,340,352.09	35.6%
Cigarette and Tobacco Tax	1,896,970.99	1,911,092.32	14,121.33	0.7%	22,694,601.68	21,341,733.59	(1,352,868.09)	-6.0%
Departmental Collections	1,489,255.72	1,728,838.03	239,582.31	16.1%	17,275,343.48	21,248,341.79	3,972,998.31	23.0%
Wholesale Liquor Tax	463,200.52	1,033,516.60	570,316.08	123.1%	5,283,308.73	5,430,522.74	147,214.01	2.8%
Coal Severance Tax	873,423.19	901,426.52	28,003.33	3.2%	11,065,647.84	11,206,459.05	140,811.21	1.3%
Coal Conversion Tax	924,290.49	1,095,391.12	171,100.63	18.5%	11,790,622.69	12,490,737.33	700,114.64	5.9%
Mineral Leasing Fees	230,985.72	280,023.60	49,037.88	21.2%	4,771,904.88	3,566,924.41	(1,204,980.47)	-25.3%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	100.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					564,436.00	690,304.00	125,868.00	22.3%
Other Transfers	7,432,478.50	(30,749.00)	(7,463,227.50)	-100.4%	25,197,869.95	1,858,651.23	(23,339,218.72)	-92.6%
TOTAL REVENUES AND TRANSFERS	\$ 70,004,863.09	\$ 63,399,627.03	\$ (6,605,236.06)	-9.4%	\$ 743,296,463.96	\$ 770,819,348.34	\$ 27,522,884.38	3.7%

Revenue Variances

Sales tax collections exceeded the monthly revenue forecast by \$1.4 million or 6.8 percent. Biennium-to-date collections after the first year of the biennium fell short of projections by \$1.8 million or 0.6 percent.

Motor vehicle excise tax collections exceeded projections in June by \$1.4 million or 34.4 percent while biennium-to-date collections exceeded projections by \$3.7 million or 7.2 percent.

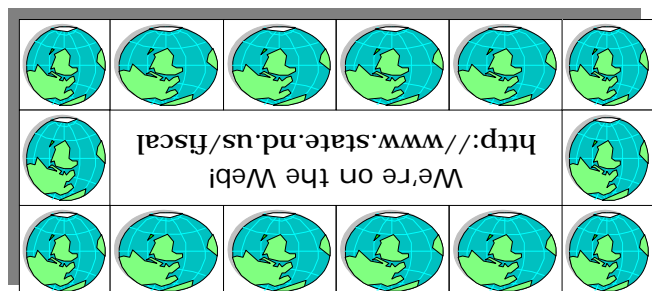
Individual income tax collections fell short of the projection for June by \$576,308 or 5.1 percent. Biennium-to-date collections have been very strong, exceeding projections for the first year of the biennium by \$9.0 million or 4.8 percent.

Corporate income tax collections also fell short of projections in June. The shortfall of \$686,069 equates to 6.9 percent. Biennium-

to-date collections are \$6.1 million or 11.4 percent behind projections.

Insurance premium tax collections fell below the projected amount by \$1.7 million in June, however, collections in May were unusually high, thus resulting in lower collections in June. Biennium-to-date collections are \$1.5 million or 8.6 percent ahead of projections.

Oil and gas production tax collections in June exceeded the forecast by \$1.5 million or 143.8 percent while oil extraction tax collections exceeded projections by \$603,037. Combined collections for the two oil taxes after the first year of the biennium are \$16.3 million over projections.



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